

~~SECRET~~
NOFORN

D R A F T

27 May 1955

MEMORANDUM FOR: Executive Secretary, EDAC

SUBJECT: Summary of Current EDIC Activities - MDAC
Newsletter No. 27

The Economic Defense Intelligence Committee (EDIC) is currently engaged in the following activities: (SECRET)

A. The EDIC ~~Executive Secretary~~ ^{SECRETARIAT} has completed the review of 3,094 CO/COCOM/OTINCOM documents and has transmitted for Executive Committee action a list of 1,126 documents which must retain a SECRET classification.

(cont) B. EDIC has considered the problem of research programming for economic defense requirements and has concluded that its work thereon will be postponed pending completion of action now being taken by MDAC and the Wright ~~ad hoc~~ working group.

C. In connection with the EDIC project on surveillance of decentralized commodities, BTC/Commerce has provided OSD with a list of "Manufacturers of Deleted Items". OSD will endeavor to obtain information from firms on the Commerce list holding NDAP contracts; State/OIR will consider a special collection effort on selected items of particular importance following the OSD action; and, the Executive Committee will be advised of the results of these actions and further guidance will be sought.

D. An EDIC Subgroup on Functions and Operations has been established to study EDIC accomplishments and shortcomings under its Terms of Reference. The Subgroup has been requested to refer its

~~SECRET~~
~~NOFORN~~

~~NOFORN~~

conclusions and recommendations to EDIC prior to production of the third annual progress report so that the Committee might have the benefit of the subgroup's findings.

E. EDIC has undertaken a study of the "Pattern of Soviet Bloc Strategic Exports to the West" (EDIC Case No. 10). Information produced is to be used in testing the validity of strategic commodity ratings, and in assessing Soviet motives and capabilities regarding the export of strategic items to the West.

F. The following additional "case" studies have been initiated at request of agencies indicated: Case No. 5 - "Pending Bloc Shipbuilding Orders" (MDAC and State/ECR); Case No. 6 - "Information on Firms Reportedly Purchasing and Operating Ships for Communist China" (State/ECR).

G. EDIC has received the following "intelligence requests" (on which "cases" may be established) from agencies indicated: IR No. 7 - "Export of Ortho-Toluidine to Communist China" (BFC/Commerce); IR No. 8 - "Soviet Bloc Use of Borax Products (Boric Acid and Borates - I/L 3715) for Rocket Fuel and Other Jet Plane Application (BFC/Commerce); IR No. 11 - "Impact of Free-World Trade Controls on the Sino-Soviet Bloc" (OSD).

H. Membership - Mr. Charles D. Martin has replaced Mr. Orray Taft as State/MC member; Mr. Henry Shavell, ACRP Staff/Commerce, has been designated as a JOC observer on EDIC.

25X1A9a

Distribution

Orig - Ch/C/RR

1 - Ch/D/E

1 - Chrono File (EDIC)

25X1A9a [REDACTED] jg

D/E/RR

~~NOFORN~~